DEC 14 1942

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942.

No. 527

MARCEL BANKE and GEORGE A. GLOOR,
Petitioners,

vs.

NOVADEL-AGENE CORPORATION,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

CLAIR W. FAIRBANK,
MORRIS HIRSCH,
Counsel for Respondent.

THE COURT PRESS, N. Y. C.

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The "Questions Presented" in the petition propound propositions that do not arise in the case at bar.

The sole proposition on which the petition is in fact predicated may be formulated as follows:

> In the face of a final judgment holding non-infringement, has the plaintiff in a patent infringement suit the right to threaten the customers of the successful defendant with proceedings for patent infringement and contempt of Court?

That no plaintiff in a patent suit has such right has been settled long ago by this Court. *Kessler* v. *Eldred*, 206 U. S. 285.

The effective judgment as between the parties was that of April 19th, 1939 by Judge Lederle in the United States District Court for the Eastern District of Michigan, from

which these petitioners had taken no appeal. That judgment finally and conclusively determined that the respondent here does not infringe upon the patents of petitioners.

The case at bar is an ancillary suit brought by respondent to restrain petitioners from sending notices of infringement or actually bringing suit against respondent or its customers, predicated upon the use of the very equipment and methods that had been finally adjudged to be non-infringing in the underlying patent suit that involved the same parties.

While the petitioners do not challenge the right of respondent to *make* and *sell* the equipment originally charged as an infringement, they insist that the *customers* of respondent do not enjoy the right to *use* such equipment in the only way in which it is capable of being used.

Judge Lederle's findings in the underlying judgment afford no basis for such contention, for the patent suit was dismissed not only as to respondent, but also as to the co-defendant Barney Litheral, doing business as Barney's Café, a customer *using* the respondent's equipment (R., p. 62).

The district court decided adversely to petitioner's tortured construction of the underlying judgment, as did on appeal the Sixth Circuit Court of Appeals. Petitioners stand perpetually enjoined:

> "* * * from threatening anyone in writing or by word of mouth or otherwise with suit for infringement, direct or contributory or with contempt proceedings, civil or criminal, by reason of the manufacture, use or sale of the equipment of plaintiff, Novadel-Agene Corporation, as identified by Exhibit A attached to the Bill of Complaint, when used in the manner indicated in said Exhibit; that is, when the brew is propelled from the keg either by carbon

dioxide gas or air connection as indicated on the rear page of Sheet 2 of said Exhibit, and further enjoining the said defendants from the actual bringing of any suit in any Court in the premises" (R., p. 51).

Nothing in the foregoing order prevents petitioners from threatening or bringing patent litigation against any concern not in privity with respondent, or for that matter, against suing respondent itself, or its customers, for the manufacture, sale or use of equipment or installations differing from that shown in Exhibit A.

Petitioners complain that there was irregularity in the *procedure* that led the courts below to the only order they could possibly issue that would give effect to the underlying final judgment of April 19th, 1939. Petitioners now request this Court to order the idle ceremony of "regular" procedure which must inevitably lead to a re-affirmance of the permanent injunction now in force.

As a matter of fact, the proceedings attacked in this petition were strictly in accord with the Federal Rules of Civil Procedure.

The hearing in the District Court on December 9th, 1940 was upon motion of *petitioners*, not of respondent (R., p. 46). *Petitioners* noticed for hearing on December 9th, 1940, their motion for modification of a preliminary injunction previously issued out of the district court (R., p. 45). At the hearing Judge Tuttle not only denied the motion to modify, but made the preliminary injunction permanent. This he did on motion of respondent, made during the hearing, pursuant to Rule 7-b (1) of the Rules of Civil Procedure which provides:

"An application to the Court for an order shall be by motion which, *unless made during a hearing or*

> *trial,* shall be made in writing, shall state with particularity the grounds therefor, and shall set forth the relief or order sought." (Emphasis ours.)

Petitioners did not personally attend the hearing on December 9th, 1940. Petitioner Banke sets forth in his affidavit (R., pp. 65, 6) that this was due to a misunderstanding, believing as he did, that that hearing was superseded by the notice received by him from the district court, which listed the case on the pre-trial calendar to be called December 16th, 1940.

In view of that misunderstanding of petitioners, Judge Tuttle readily granted a rehearing on December 17th, 1940, at which all interested parties were present, and after further hearing on the merits, the court adhered to its order of December 9th, 1940, granting the permanent injunction (R., p. 57).

The order for permanent injunction dated December 9, 1940 was thus issued in strict accordance with the rules. But assuming that it was not, petitioners have no cause for complaint, for they availed themselves of the opportunity that the Court afforded them December 17th, 1940 for a full hearing on the merits.

Conclusion.

The petition fails to show that the Circuit Court of Appeals

> "has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such departure by a lower court, as to call for an exercise of this court's power of supervision." [Rule 38 (5b)].

The Circuit Court of Appeals, as we have shown, followed the accepted course of judicial proceedings and

sanctioned no departure from such course on the part of the district court and quite properly affirmed the judgment below.

There is no occasion for any exercise of this Court's power of supervision.

It is therefore submitted that the petition should be denied.

Respectfully submitted,

CLAIR W. FAIRBANK,
MORRIS HIRSCH,
Counsel for Respondent.